E. NEW BUSINESS

8. **Ordinance 2026-08: Authorizing a communications site lease agreement with Chugach Electric Association, Inc., in Cooper Landing.**

Kenai Peninsula Borough
Planning Department – Land Management Division

MEMORANDUM

TO:	Ryan Tunseth, Assembly President Members, KPB Assembly
THRU:	Peter A. Micciche, Mayor PAM Robert Ruffner, Planning Director RR Aaron Hughes, Land Management Officer AH
FROM:	Jennifer Shields, Land Management Agent JS
DATE:	February 5, 2026
RE:	Ordinance 2026-08, Authorizing a Communications Site Lease Agreement with Chugach Electric Association, Inc., in Cooper Landing (Mayor)

Since 1992, Chugach Electric Association, Inc. (CEA) has maintained a communication tower site on vacant, KPB-owned parcel 11912509 in Cooper Landing. CEA's lease of the site was originally authorized by KPB Ordinance 92-41. However, the 1992 lease was never fully executed, and the offer to lease terminated one year after enactment of the ordinance.

In 2014, CEA's use of the site was authorized under a temporary land use permit.

CEA desires to continue its exclusive use of the site as a communications and operations link, and has applied to KPB for a five-year lease agreement with renewal options. The lease was negotiated at a monthly rent of $1,000 ($12,000/annually). Rent will adjust annually by three percent (3%) over the prior year's rent amount.

The Cooper Landing Advisory Planning Commission will provide a recommendation on the proposed lease prior to the public hearing on this ordinance.

The KPB Planning Commission will hold a public hearing regarding the proposed lease at its regularly-scheduled meeting on March 16, 2026, and will forward its recommendation to the Assembly.

Your consideration is appreciated.

Introduced by:	Mayor
Date:	02/17/26
Hearing:	03/17/26
Action:	
Vote:	

KENAI PENINSULA BOROUGH
ORDINANCE 2026-08

AN ORDINANCE AUTHORIZING A COMMUNICATIONS SITE LEASE AGREEMENT WITH CHUGACH ELECTRIC ASSOCIATION, INC., IN COOPER LANDING

WHEREAS, since 1992, Chugach Electric Association, Inc. (CEA) has maintained an approximately 1,527 square foot communication tower site on vacant, KPB-owned Parcel No. 11912509 in the Cooper Landing area; and

WHEREAS, in 2014, a temporary land use permit was issued to authorize CEA's now-expired use. A long-term lease agreement is now desired to continue operating this site and supporting CEA's communication needs in Cooper Landing; and

WHEREAS, the site serves CEA as a critical communications and operations link for CEA; and

WHEREAS, CEA has agreed to a five-year lease agreement with renewal options at a monthly rent of $1,000 ($12,000/annually); and

WHEREAS, leasing of this property furthers the following objectives of the 2019 Kenai Peninsula Borough (KPB) Comprehensive Plan:

1. Goal 2, Land Use Objective F: To actively manage Borough-owned lands to meet short and long-term regional goals; and

WHEREAS, the Cooper Landing Advisory Planning Commission reviewed the lease application at its regularly-scheduled meeting on ________________, 2026, and recommended ______________________; and

WHEREAS, the KPB Commission, at its regularly scheduled meeting on March 16, 2026, recommended ________________;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That this is a non -code ordinance.

SECTION 2. That pursuant to KPB 17.10.100(I), the Assembly finds that entering into a Communication Tower Site Lease Agreement with Chugach Electric Association, Inc. on that Leased Premises more particularly described as follows is in the best interests of KPB:

A portion of Tract H, ASLS 2003-2, Plat No. 2005-10, Seward Recording District, Third Judicial District, State of Alaska, more particularly described as an approximately 6,003 square foot area, including a twenty (20) foot wide underground electric power line right-of-way and the air space above such ground space, together with: (i) non-exclusive access beginning directly off of the Sterling Highway right-of-way and across an existing road leading to the Leased Premises, and (ii) subject to a one-hundred (100) foot wide section line easement which bisects the Leased Premises. (Parcel No. 11912509)

Site Name: CEA Sunrise

This finding is based upon the following facts:

1. The property will be used to continue use of an existing communication tower site for the exclusive benefit of CEA communications.

2. KPB will receive the benefit of reserved tower space for emergency and other communication related uses.

SECTION 3. That the Mayor is hereby authorized to negotiate and enter into a lease upon a portion of the property identified in Section 2, subject to all lease conditions required by this ordinance and the applicable provisions of KPB 17.10.

SECTION 4. That the monthly rent will be One-Thousand Dollars ($1,000.00) for exclusive use of the Leased Premises for a five-year term with renewal options. On each anniversary of the effective date, rent will adjust annually by not more than three percent (3%) over the prior year's rent amount.

SECTION 5. Pursuant to KPB 17.10.230, the Assembly authorizes an exception to the requirements of 17.10.110, "Notice of Disposition", based upon the following facts:

1. Special circumstances or conditions exist.

    a. The proposed lease is solely with CEA and for the purpose of operating, and maintaining an existing communication tower site.

    b. The notice requirement is intended to make the public aware of an opportunity to purchase Borough property, which is unnecessary since the intent of the disposal is to lease the property solely to CEA.

2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.

a. The notice requirement is intended to make the public aware of an opportunity to purchase Borough property, which is not applicable to the lease of property solely to CEA.

2. That the granting of this exception will not be detrimental to the public welfare or injurious to other property in the area.

   a. The existing communication tower site is compatible with the surrounding land uses.

SECTION 6. That CEA will have one-hundred twenty (120) days from the date of enactment of this ordinance to execute the lease agreement.

SECTION 7. That the mayor is authorized to execute a lease agreement substantially in the form of the one accompanying this ordinance, and any documents necessary to effectuate this ordinance.

SECTION 8. That rent revenue from the lease shall be submitted to the KPB Finance Department and deposited into Land Management Account No. 250.00000.00000.36316.

SECTION 9. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances will not be affected.

SECTION 10. This ordinance shall become effective immediately.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2026.

Ryan Tunseth, Assembly President

ATTEST:

Michele Turner, CMC, Borough Clerk

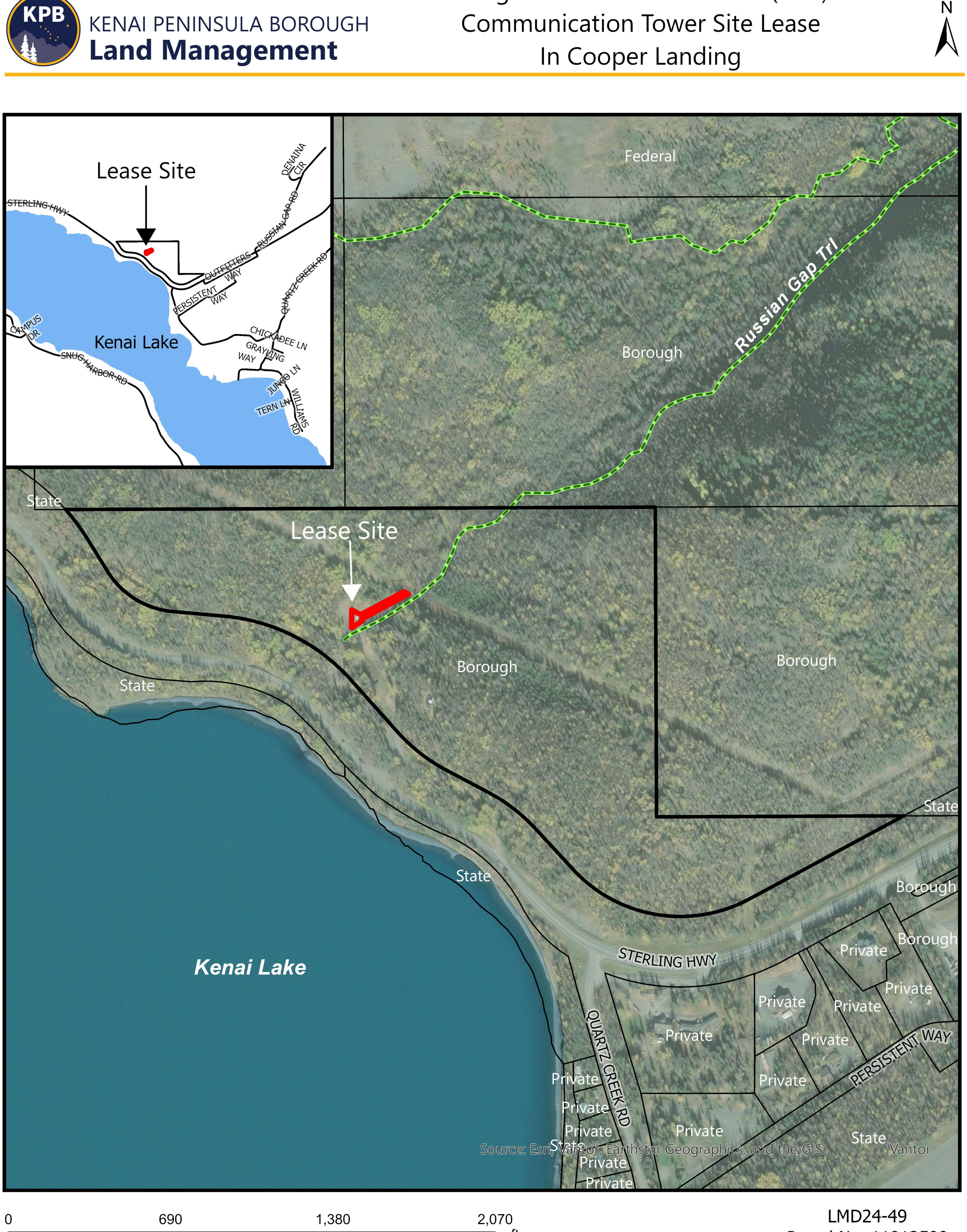
Yes:

No:

Absent:

KENAI PENINSULA BOROUGH
Land Management

Chugach Electric Association (CEA) Communication Tower Site Lease In Cooper Landing



LMD24-49
Parcel No. 11912509

The information depicted hereon is for a graphical representation only of best available sources. The Kenai Peninsula Borough assumes no responsibility for any errors on this map.

Printed: 1/14/2026

COMMUNICATIONS SITE LEASE AGREEMENT

This Communications Site Lease Agreement (Agreement) is entered into by the Kenai Peninsula Borough, an Alaska municipal corporation, whose mailing address is 144 North Binkley Street, Soldotna, Alaska 99669 (KPB or Lessor), and Chugach Electric Association, Inc, an Alaska nonprofit electric cooperative corporation, whose mailing address is PO Box 196300, Anchorage, AK 99519-6300 (Lessee) (together, the Parties). This Agreement becomes effective on the date of signature by KPB (the Effective Date).

PART I. BACKGROUND, AUTHORIZED CONTACT AND CONTRACT DOCUMENTS

1. Background. Lessor owns certain real property located in the Kenai Peninsula Borough, in the State of Alaska, that is more particularly described in Exhibit 1 attached hereto (the Property). For good and valuable consideration, the Parties agree that Lessor will grant Lessee the right to use a portion of the Property, the Leased Premises identified in Section 4, "Description of Property", in accordance with the terms of this Agreement.

2. Authorized Contact. All communications about this Agreement must be directed as follows, and any reliance on a communication with a person other than who is listed below is at the Party's own risk.

LESSOR

Name: Kenai Peninsula Borough
Attn: Land Management Division
Re: Lease No. _________
144 N. Binkley St.
Soldotna, AK 99669

LESSEE

Name: Chugach Electric Association, Inc
Attn: Cynthia Coughlin
Site Name: CEA Sunrise
Fixed Asset #: ________
P.O. Box 196300
Anchorage, AK 99519-6300

3. Contract Documents. As authorized by Kenai Peninsula Borough Ordinance _________, this Agreement is the final and complete understanding of the Parties. The following Exhibits and Appendices are attached and are considered part of this Agreement as well as anything incorporated by reference or attached to those Exhibits or Appendices:

Appendix A: Site-Specific Lease Provisions
Appendix B: Lease Provisions Required by KPB 17.10
Exhibit 1: Description of the Property and the Leased Premises
Exhibit 2: Leased Premises Site Sketch
Exhibit 3: Alaska Department of Natural Resources Letter
Exhibit 4: Memorandum of Lease

If in conflict the order of precedence will be: the Agreement, Appendix A, Appendix B, Exhibit 1, Exhibit 2, Exhibit 3, and then Exhibit 4.

PART II. LEASE DESCRIPTION AND TERMS

4. DESCRIPTION OF PROPERTY.

(a) Subject to the terms and conditions of this Agreement, Lessor hereby grants to Lessee a leasehold interest in and to that certain portion of the Property containing approximately 6,003 square feet, including a twenty (20) foot wide underground electric power line right-of-way and the air space above such ground space, and as described and depicted on Exhibit 1 and Exhibit 2 attached hereto (the Leased Premises), for the installation, operation, and maintenance of Communication Facilities as defined in Section 9, “Use”, together with: (i) non-exclusive access beginning directly off of the Sterling Highway right-of-way and across an existing road leading to the Leased Premises, and (ii) subject to a one-hundred (100) foot wide section line easement which bisects the Leased Premises and as provided in Section 18, “Lessee Liabilities”. In addition, a buffer area ten (10) feet in width around the perimeter of the Leased Premises may be utilized by the Lessee strictly for purposes of complying with Section 10(b), “Buffer Landscaping”.

5. TERM.

(a) The initial term will be five (5) years (the Initial Term), commencing on the Effective Date.

(b) Lessee will have the right and option to extend the term of this Agreement for four (4) successive terms of five (5) years each (each, a Renewal Term), provided Lessee is not in default or in breach of this Agreement. Each Renewal Term will commence automatically, unless Lessee delivers written notice to Lessor, not less than thirty (30) days prior to the end of the then-current Term, of Lessee’s intent not to renew, or unless Lessee is in default or in breach of this Agreement. For purposes of this Agreement**,** Term includes the Initial Term and any applicable Renewal Term(s).

(c) Should Lessee or any assignee, sublessee or licensee of Lessee hold over the Leased Premises or any part thereof after the expiration of this Agreement, such holdover will constitute and be construed as a tenancy from month-to-month only, upon the same terms and conditions and including a monthly escalation to the base Rent of fifteen percent (15%).

6. TERMINATION.

This Agreement may be terminated, without penalty or further liability, as follows:

(a) by Lessee upon thirty (30) days prior written notice to Lessor, if Lessee is unable to obtain or maintain any required insurance, approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Communication Facilities as now or hereafter intended by Lessee; or if Lessee determines, in its sole discretion, that the cost of or delay in obtaining or retaining the same is commercially unreasonable;

(b) by Lessee, upon thirty (30) days prior written notice to Lessor, if Lessee determines that, in its sole discretion, due to the title reports or survey results, that the condition of the Leased Premises is unsatisfactory for its intended uses;

(c) by Lessee upon sixty (60) days prior written notice to Lessor for any reason or no reason, so long as Lessee pays Lessor a termination fee equal to the remaining Rent due under the current Term until such Term expires, and subject to removal requirements contained within Section 12, “Equipment, Fixtures, and

Removal". No such termination fee will be payable on account of the termination of this Agreement by Lessee under any termination provision contained in any other Section of this Agreement.

(d) by Lessor in the event of a default in the performance or observance of any of the Agreement terms or conditions by Lessee, provided that Lessor has given written notice of such default to Lessee. Lessee shall have thirty (30) days from receipt of such notice to cure the default. If Lessee fails to cure the default within this period, Lessor may cancel the Agreement or pursue legal remedies for damages or recovery of the property. No improvements may be removed during the time in which the contract is in default, except with the prior written consent of Lessor.

7. RENT. Beginning on the Effective Date, Lessee must pay to Lessor a monthly rent payment of One Thousand and No/100 Dollars ($1,000.00) (Rent), at the address set forth above on or before the fifth (5th) day of each calendar month in which Rent is due, in advance. Rent will be prorated for any partial month. On each anniversary of the Effective Date, Rent will adjust annually by three percent (3%) over the prior year's Rent amount. Should Lessee fail to submit a monthly Rent payment in full on or before the fifth (5th) day of each calendar month in which Rent is due, a penalty of 10 percent (10%) of the monthly Rent amount will be charged to the Lessee.

8. TAXES. Lessee must pay any real or personal property taxes assessed on, or any portion of such taxes attributable to, the Communication Facilities as defined in Section 9, "Use", and located on the Leased Premises, including any taxable private leasehold interests.

9. USE. Except as provided in Section 14, "Co-Locate Rights Reserved by Lessor", Lessee shall have the exclusive right to use the Leased Premises for the purpose of erecting, installing, operating, and maintaining radio or communication tower transmitting and receiving equipment, antennas, dishes, mounting structures, equipment shelters and other supporting structures, buildings, antennas, dishes, fencing, guy anchors, guy wires, and related equipment or personal property (collectively, the Communication Facilities) necessary for Lessee's internal communication needs only. Expanded or external use of the site by unrelated entities is expressly prohibited. Lessee may, subject to the foregoing, make any improvement, alteration, or modification to the Leased Premises as are deemed appropriate by Lessee for the permitted use herein, pursuant to prior written approval from KPB. Subject to Section 10(b), "Buffer Landscaping", Lessee will have the right to clear the Leased Premises of any trees, vegetation, or undergrowth which interferes with or threatens to interfere with Lessee's use of the Leased Premises for the intended purposes.

10. SECURITY AND BUFFER LANDSCAPING.

(a) Fence and Site Security. Notwithstanding Section 4, "Description of Property", the Parties acknowledge the existence of a locked fence around the perimeter of the Leased Premises. In the event that Lessee's use of the Leased Premises necessitates the modification or replacement of the existing perimeter fence, Lessee must ensure that any new or modified fencing complies with the following standards: (i) the fence must be a minimum of six (6) feet in height, (ii) the fence must be sight-obscuring so as to limit visibility through the fence, and (iii) the fence must be of a color that blends in with the surrounding landscape (i.e. brown, green, or similar color). Lessee may also elect, at its expense, to construct such other enclosures and/or fences as Lessee reasonably determines to be necessary to secure its Communication Facilities and related improvements situated upon the Leased Premises. Lessee may also undertake any other appropriate means to restrict access to the Leased Premises, including, without limitation, posting signs for security purposes.

(b) Buffer Landscaping. To blend with the surrounding use of the Property as outdoor space, the

Lessee may only clear the Leased Premises to the extent reasonably necessary for its permitted use. In the event that Lessee's use of the Leased Premises necessitates the modification or replacement of the existing perimeter fence, Lessee will install a landscaping bed with a width of 10 feet outside of the fenced-in area of the Leased Premises, as shown in Exhibit 2, excluding the access drive, for the purpose of creating or maintaining a vegetative buffer between the Leased Premises and outdoor space. Trees must be planted within the landscaping bed at intervals no greater than 15 feet on center. Evergreen trees must be a minimum of 6 feet in height at time of planting, and deciduous trees must have a minimum caliper of one and one-half-inch. No more than 50 percent of planted trees may be deciduous. At least one shrub with a minimum height of 18 inches at planting will be planted for every 100 square feet of landscaping bed. Existing native trees and shrubs may be used to meet buffer landscaping requirements.

11. ACCESS, MAINTENANCE, AND UTILITIES.

(a) Access. During the Term, Lessee, and its sublessees, licensees, customers, guests, agents, and assigns will have the unrestricted, exclusive right to use, and will have free and unfettered access to, the Leased Premises seven (7) days a week, twenty-four (24) hours a day. Lessor for itself, its successors and assigns, hereby grants and conveys unto Lessee, its customers, employees, agents, invitees, successors and assigns, for the term of the Agreement, non-exclusive access to the extent depicted on Exhibit 2 (a) for ingress and egress, and (b) for the construction, installation, operation and maintenance of overhead and underground electric and other utility facilities (including fiber, backhaul, wires, poles, guys, cables, conduits and appurtenant equipment), with the right to reconstruct, improve, add to, enlarge, change and remove such facilities, over, across, and through any easement for the benefit of and access to the Leased Premises, subject to the terms and conditions herein set forth. Lessor agrees to cooperate with Lessee's efforts to obtain such utilities and services, and Lessor shall execute any documents requested by Lessee related to such utilities and services. If there are utilities already existing on the Leased Premises which serve the Leased Premises, Lessee may utilize such utilities and services. Subject to Lessor's prior written approval, Lessee may upgrade, replace or expand such preexisting utilities as reasonably necessary for Lessee's use of the Leased Premises, except where the pre-existing utilities are owned by Lessee, in which case prior written approval is not required.

(b) Maintenance. Lessee agrees to use the Leased Premises in a manner that does not cause material damage to the condition of the Leased Premises, and will keep and maintain the Leased Premises and related, non-exclusive access, in good condition and free of fire hazards Lessee must take reasonable precautions to prevent, and take reasonable actions to suppress, destructive and uncontrolled grass, brush, and forest fires on the Leased Premises, and comply with all applicable laws, regulations and rules promulgated and enforced by the agency responsible for forest protection within the area wherein the Leased Premises is located. To proactively mitigate fire risks, Lessee must remove all dead spruce trees or potential hazard trees within a fifty (50) foot radius of the Leased Premises. All trees and/or slash produced from these activities must be removed from the site or mechanically processed into chips and dispersed back onto the site. If slash is mechanically processed, the resulting chip bed may not exceed six (6) inches of depth on any area within the treatment unit.

(c) Utilities. Lessee is solely responsible for installing separate meters for utility use and payment, as applicable, and may not connect to any Lessor-owned electrical, communication, or other utility without Lessor's prior written approval.

12. EQUIPMENT, FIXTURES, AND REMOVAL. The Communication Facilities will at all times be the personal property of Lessee or its sublessees, licensees, and customers, as applicable. Lessee and/or its sublessees, licensees, and customers will have the right to erect, install, maintain, and operate on the Leased Premises such equipment, structures, fixtures, signs, and personal property as Lessee may deem necessary or appropriate, and such property, including the equipment, structures, fixtures, signs, and personal property currently on the Leased Premises, will not be deemed to be part of the Leased Premises, but will remain the property of Lessee or its customers. Unless otherwise agreed to in writing by the Parties, within ninety (90) days after the expiration or earlier termination of this Agreement, or upon cessation, abandonment, or non-use of the tower for communication purposes for a period of six (6) consecutive months following construction of the tower (the Removal Period), Lessee must remove its improvements and restore the Leased Premises to grade in a natural condition free of contamination, reasonable wear and tear excepted, which will include removal of all concrete and other foundation materials to a depth of five (5) feet below grade, and perform all obligations under this Agreement during the Removal Period, including without limitation, the payment of Rent on a prorated per diem basis, at the rate in effect upon the expiration or termination of this Agreement. Any property not so removed will be deemed abandoned and may be removed and disposed of by Lessor in such manner as Lessor may determine, without any obligation on the part of Lessor to account to Lessee for any proceeds therefrom. Time is of the essence.

13. ASSIGNMENT. Lessee may assign this Agreement to any person or entity at any time with prior written consent of KPB's Mayor so long as the Assignee agrees to the assignment and novation and complies with all terms of this Agreement. Notwithstanding the foregoing, upon thirty (30) days' written notice to Lessor, Lessee may assign this Agreement or its rights or obligations to (a) any person or entity controlling, controlled by, or under common control with Lessee, or (b) in connection with the sale or other transfer of substantially all of Lessee's assets in the FCC market area where the Leased Premises is located.

14. CO-LOCATE RIGHTS RESERVED BY LESSOR. Lessor reserves the right to install emergency response or other communication equipment as may be deemed necessary by and for the sole benefit of the Lessor on Lessee's tower within the Leased Premises. Ninety (90) days prior to the exercise of this reservation, Lessor must provide Lessee with a complete inventory of equipment and proposed vertical location. Lessee must confirm Lessor's equipment will not interfere with Lessee's or then-existing sublessee's equipment or propose an alternate location. Upon installation of Lessor's emergency response or other communication equipment on Lessee's tower, any future sublessee's equipment must not interfere with Lessor's emergency response or other communication equipment, provided such equipment is properly installed and lawfully operated. Notwithstanding the foregoing, Lessor's right to install equipment on Lessee's tower will be subject to Lessee's reasonable determination that, at the time in which Lessor proposes to install its equipment, Lessee's tower will have sufficient space and structural capacity to accommodate the additional loading associated with Lessor's proposed equipment installation. In connection with the foregoing, each Party will do and perform, or cause to be done and performed, all such further acts and things, and will execute and deliver all such other agreements, instruments and documents, as the other Party may reasonably request in order to carry out the intent and accomplish the purposes of this Section and the consummation of the transactions contemplated hereby. All costs associated with Lessor's co-location on Lessee's tower, including but not limited to the cost of any structural analyses and any installation, maintenance and operating costs, will be borne solely by Lessor.

15. COVENANTS, WARRANTIES AND REPRESENTATIONS.

(a) Lessor represents and warrants that Lessor is the owner in fee simple of the Property, free and clear of all liens and encumbrances except as to those which may have been disclosed to Lessee in writing prior to the execution hereof, and that Lessor alone has full right to lease the Leased Premises for the Term.

(b) Lessor may not do or knowingly permit anything during the Term that will unreasonably interfere with or negate Lessee's quiet enjoyment and use of the Leased Premises or cause Lessee's use of the Leased Premises to be in nonconformance with applicable local, state, or federal laws.

(c) To the best of Lessor's knowledge, Lessor has complied with, and will comply with, all laws with respect to the Property. No asbestos-containing thermal insulation or products containing PCB, formaldehyde, chlordane, or heptachlor or other hazardous materials have been placed on or in the Property by Lessor or, to the knowledge of Lessor, by any prior owner or user of the Property. To the knowledge of Lessor, there has been no release of or contamination by hazardous materials on the Property.

(d) Subject to Section 11, "Access, Maintenance, and Utilities", Lessee will have access to all utilities required for the operation of Lessee's improvements on the Leased Premises that are existing on the Property.

(e) Except for the licensees of Lessee, there currently exist no licenses, sublicenses, or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the Leased Premises; there are no outstanding options or rights of first refusal to purchase the Property or any portion thereof or interest therein, nor any equity or interest in Lessor if Lessor is an entity; and there are no parties (other than Lessor) in possession of the Leased Premises except as to those that may have been disclosed to Lessee in writing prior to the execution hereof.

(f) Each Party hereto warrants and represents that it has the necessary power and authority to enter into and perform its respective obligations under this Agreement. Nothing in this Agreement, including such cooperation, will be construed as creating a partnership between the Parties.

16. REQUIRED INSURANCE COVERAGES. Insurance coverages required under this Agreement must be primary and exclusive of any other insurance carried by Lessor. Minimum levels of insurance coverage required under this Agreement must remain in effect for the Term of this Agreement. If Lessee's policies contain higher limits, Lessor will be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be delivered to Lessor at the time of submission of the signed Agreement. Lessor may request copies of required policies and endorsements, which must be provided within ten (10) days of Lessor's request. Updated certificates must be provided upon insurance coverage renewal, where applicable.

(a) Lessee must provide and maintain commercial general liability insurance (CGL). The CGL policy must be written on an occurrence basis and with a limit of not less than one million dollars ($1,000,000.00) per occurrence and three million dollars ($3,000,000.00) aggregate. If necessary to provide the required limits, the CGL's policy's limits may be layered with an umbrella or excess liability policy. This policy must name Lessor as additional insured with a waiver of subrogation.

(b) Lessee must provide and maintain commercial automobile liability insurance. The commercial automobile liability policy must include a combined single limit of not less than one million dollars ($1,000,000.00). Coverage must include non-owned and hired car coverage. This policy must name KPB as additional insured with a waiver of subrogation.

(c) Lessee must provide and maintain workers' compensation insurance in accordance with the laws of the State of Alaska for all of its employees engaged in work under this Agreement. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than the minimum amounts required by law. Subrogation will be waived.

(d) Property Insurance: Lessee must insure against all risks of loss to any Communication Facilities at full replacement cost with no insurance penalty provision. Lessee will have the right to self-insure such Property Insurance.

(e) No representation of Coverage Adequacy. By requiring insurance herein, Lessor does not represent that coverage and limits will necessarily be adequate to protect Lessee, sublessee, contractor(s) or subcontractor(s) of any tier, and any such coverage and limits will not be deemed as a limitation on the liability of the Lessee, sublessee, contractor(s) or subcontractor(s) of any tier under the indemnities granted to Lessor in this Agreement.

(f) Lessee's obligations to provide insurance may be met by providing evidence of fiscal responsibility or self-insurance that is acceptable to Lessor. Lessee warrants that it has the capacity to self-insure for the risks and coverages specified and will provide evidence of the lines and limits of coverage specified in this Section. Lessee must provide Lessor with proof of continuing ability to provide self-insurance within thirty (30) calendar days of any written request by Lessor for such proof. If there is any change in the ability to self-insure, Lessee must provide Lessor with immediate notice of such change and must immediately purchase insurance as set forth in this Section.

17. NON-EXCLUSIVITY. Lessor acknowledges and agrees that, except as may be disclosed to Lessee in writing prior to the execution hereof, there are no prior existing rights, uses, or authorization granted to third parties or retained by Lessor to locate improvements below grade or in proximity to the Leased Premises. Upon at least sixty (60) days prior written notice to Lessee, Lessor reserves the right to grant further or additional rights or authorization to locate improvements below grade or in proximity to the Leased Premises to the extent such rights or authorizations do not unreasonably interfere with Lessee's equipment or operations.

18. LESSEE LIABILITIES. In addition to other liabilities under this Agreement, Lessee has the following liabilities and agrees:

(a) That Lessee assumes all risk of loss, damage, or destruction to Lessee's Communication Facilities on the Leased Premises; and

(b) That Lessee will comply with all applicable federal, state, and local laws or regulations, including relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, permitting, construction, operation and maintenance of any facility, improvement, or equipment on the Leased Premises or within the one hundred (100) foot wide section line easement which bisects the Leased Premises; and

(c) Lessee acknowledges and accepts the State of Alaska, Department of Natural Resources' letter from Evan Dodd, dated August 29, 2025, in which the State does not give authorization for occupancy of the one hundred (100) foot wide section line easement (SLE) which bisects the Leased Premises, and that the State only acknowledges the existing infrastructure within a Division of Mining, Land and Water (DMLW) managed interest. Any request to develop the SLE for access purposes consistent with Lessee's scope of use will be adjudicated by DMLW in accordance with applicable law and agency procedures. Should any such request come into conflict with the site, DMLW will evaluate a variety of methods to eliminate the conflict which may include, but are not limited to, partial vacation of the SLE, closure of the SLE, or relocation of infrastructure, as determined by DMLW. Lessee accepts any and all liabilities arising from use of the SLE with the absolute obligation to indemnify the Lessor from any action, claim or lawsuit arising from use of the

SLE, notwithstanding Section 19 "Indemnification" and without imposing any obligation upon Lessor whatsoever Lessee further acknowledges and agrees that Lessor may terminate this Agreement without penalty if, in its sole discretion, it determines such termination is necessary to protect the interests of KPB as it relates to Lessee's infrastructure located within the SLE.

(d) That Lessor has no duty, either before or during the lease Term, to inspect the Leased Premises or warn of hazards and if Lessor inspects the Leased Premises, it will incur no additional duty nor any liability for hazards not identified or discovered through such inspections. This Section will survive the termination or revocation of this Agreement, regardless of cause; and

(e) That Lessee must not damage the Leased Premises, except for normal wear and tear associated with reasonable use, and provided that Lessee shall not be responsible for any damage or deterioration due to causes beyond its control, including but not limited to natural wear, weather, or events of force majeure.

19. INDEMNIFICATION. Lessee agrees to defend, indemnify, and hold harmless Lessor, its employees, public officials, and volunteers, with respect to any action, claim, or lawsuit arising out of (1) a breach of this Agreement of (2) the use and occupancy of the Leased Premises or the Property by the Lessee. This agreement to defend, indemnify, and hold harmless includes all losses and liabilities without limitation as to any damages resulting from judgment, or verdict, and includes the award of any attorney's fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice from Lessor of any action, claim, or lawsuit. Lessor will notify Lessee in a timely manner of the need for indemnification but such notice is not a condition precedent to Lessee's obligation and may be waived where Lessee has actual notice. This agreement applies and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against Lessor relating to Lessee's use and occupancy of the Leased Premises or the Property. Notwithstanding the foregoing, Lessee's duty to indemnify, defend, and hold harmless Lessor as set forth above shall not apply to the extent a claim arises from the negligence or willful misconduct of Lessor, its employees, public officials, and volunteers.

20. INSPECTION. Lessor reserves the right to enter upon and inspect the Leased Premises at any time to assure compliance with the conditions of this Agreement. Except in case of emergency, Lessor will provide Lessee with at least forty-eight (48) hours prior written notice of Lessor's intention to enter upon and inspect the Leased Premises. Lessee reserves the right to have a representative present at all times during Lessor's inspection.

21. FORCE MAJEURE. The time for performance by Lessor or Lessee of any term, provision, or covenant of this Agreement will be deemed extended by time lost due to delays resulting from acts of God, strikes, civil riots, floods, material or labor restrictions by governmental authority, and any other cause not within the control of Lessor or Lessee, as the case may be.

22. DEFAULT. The failure of Lessee or Lessor to perform any of the covenants of this Agreement will constitute a default. The non-defaulting Party must give the other written notice of such default, and the defaulting Party must cure such default within thirty (30) days after receipt of such notice. In the event any such default cannot reasonably be cured within such thirty (30) day period, the defaulting Party must provide prompt notice of inability to cure and provide a plan to cure the default within a time frame provided. The time for curing a default will be extended for such period of time as may be necessary and reasonable; however, in no event will this extension of time to cure be in excess of ninety (90) days, unless agreed upon in writing by the non-defaulting Party.

23. REMEDIES. Should the defaulting Party fail to cure a default under this Agreement, the other Party will have all remedies available either at law or in equity, including the right to terminate this Agreement.

24. LESSEE MORTGAGES.

(a) Lessor consents to the granting by Lessee of a lien and security interest (each, a Lessee Mortgage) in Lessee's interest in this Agreement and all of Lessee's personal property and fixtures attached to the real property described herein to one or more lenders (any such lender, and any successor, assign, designee or nominee of such lender, hereinafter a Lender) only to the extent and amount necessary to maintain improvements on the Leased Premises. The Lessee may not encumber the leasehold interest or the Leased Premises to finance projects or improvements outside of the Leased Premises. Lessor agrees to recognize Lender as Lessee hereunder upon any such exercise by Lender of its rights of foreclosure. Any such encumbrance will be subordinate to Lessor's rights and interest in the Leased Premises and the Property. Any such encumbrance will be limited to the Lessee's interest in the Leased Premises. It is a material breach of this Agreement for Lessee to attempt to encumber any interest in Lessor's title to or interest in the Leased Premises or the Property.

(b) Lessor acknowledges that nothing contained herein will be deemed or construed to obligate Lender to take any action hereunder, or to perform or discharge any obligation, duty or liability of Lessee under this Agreement. No Lender may become liable under the provisions of this Agreement unless and until such time as the Lender assumes ownership of the leasehold estate created hereby and agrees to comply with the terms and conditions of this Agreement or any extensions and modifications thereof.

25. MISCELLANEOUS.

(a) Survival. If any term of this Agreement is found to be void or invalid, such invalidity will not affect the remaining terms of this Agreement, which will continue in full force and effect.

(b) Non-waiver. Failure of a Party to insist on strict performance of any of the conditions or provisions of this Agreement, or failure to exercise any of a Party's rights hereunder, will not waive such rights.

(c) Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Alaska, without regard to conflict of law principles. Any lawsuits filed in connection with this Agreement must be filed and prosecuted in the Third Judicial District, State of Alaska, at Kenai, Alaska.

(d) Bind and Benefit. This Agreement is binding upon and will inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and permitted assigns.

(e) Memorandum. A short-form Memorandum of Lease may be recorded at Lessor's or Lessee's option in the form as depicted in Exhibit 4, attached hereto. Lessor will promptly execute any Memorandum of Lease or Memorandum of Amendment to Lease, or corrective amendments thereto, upon written request of Lessee.

(f) W-9. As a condition precedent to payment, Lessor agrees to provide Lessee with a complete IRS Form W-9, or its equivalent, upon execution of this Agreement.

(g) Counterparts. This Agreement may be executed in counterpart, each of which when so executed and delivered will be considered an original and all of which when taken together will constitute one and the same instrument. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(h) Entire Agreement. This Agreement and its Exhibits, Appendices or incorporated attachments hereto, constitute the entire Agreement and will supersede all prior offers, negotiations, and agreements with respect to the subject matter of this Agreement.

(i) Amendment. This Agreement may be amended, modified, or supplemented only by an agreement in writing signed by each party hereto.

(j) No third parties. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

(k) Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

[**SIGNATURES BEGIN ON NEXT PAGE**]

PART III. EXECUTION

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

LESSOR: Kenai Peninsula Borough
an Alaska municipal corporation

By: ______________________________
Peter A. Micciche, Borough Mayor

Date: ______________________________

ATTEST:

____
Michele Turner CMC, Borough Clerk

(KPB SEAL)

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

____
Wayne Cary, Deputy Borough Attorney

Date: ______________________________

LESSEE: Chugach Electric Association, Inc.
an Alaska electric cooperative

By: ______________________________

Print Name: ______________________________

Its: ______________________________

Date: ______________________________

LESSOR ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing was acknowledged before me this ______ day of ____________________, 20____, by Peter A. Micciche, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

____
Notary Public for State of Alaska
My commission expires: _____________

LESSEE ACKNOWLEDGMENT

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

On the _______ day of ______________, 20____, before me personally appeared ____________________, and acknowledged under oath that he/she is the _____________________ of Chugach Electric Association, Inc., the Lessee named in the attached instrument, and as such was authorized to execute this instrument on behalf of the Lessee.

____
Notary Public for State of____________
My commission expires: _____________

APPENDIX A

SITE-SPECIFIC LEASE PROVISIONS

CO-LOCATE RIGHTS RESERVED BY KPB: In addition to Section 14, "Co-locate Rights Reserved by Lessor", of the Agreement, Lessor reserves ten (10) vertical feet of tower space. This reservation will start from twenty (20) feet from the top of the tower structure and descend ten (10) feet, unless other space is mutually agreed to by the Parties (the Reserved Space). To the extent this Appendix conflicts with Section 14, "Co-locate Rights Reserved by Lessor", of the Agreement, the terms of the Agreement will control.

Lessor may sublease the Reserved Space to other government agencies or organizations for the purpose of facilitating communications for first responders, disaster management, general government operations, or other public safety uses. Lessor or its sublessee(s) will provide an inventory of equipment and proposed vertical location to Lessee for the purposes of ensuring that no interference is likely for the proposed installation. Lessor and its sublessee(s) will be responsible for frequency coordination and adherence to all applicable regulations to prevent interference.

KPB AND SUBLESSEE USAGE: Lessor and its sublessee(s) may use the Reserved Space for the purposes of providing public safety communications or other purposes deemed necessary to Lessor. Lessor or its sublessee(s) may choose to install equipment to provide general government communications, monitoring equipment, and other similar uses. In general, equipment may include, but is not limited to VHF Radio Frequency (RF) transceivers, RF repeaters, licensed or unlicensed point-to-point antennas, microwave backhaul, surveillance cameras and other monitoring devices, and associated items that may support conventional or trunked radio systems. All equipment or facilities placed within the Reserved Space or on the Leased Premises will remain the personal property of Lessor or its sublessee(s).

INTERFERENCE WITH LESSEE EQUIPMENT: In the event that proposed or installed equipment from Lessor or its sublessee(s) interferes with Lessee's equipment, all parties will work to explore technical solutions or changes to mitigate such interference. All other provisions of Section 14, "Co-locate Rights Reserved by Lessor" of the Agreement related to interference remain in effect.

ACCESS: Lessor may establish outdoor equipment cabinets or full equipment shelters on or within the Leased Premises, provided that such facilities do not interfere with similar facilities of Lessee. Access will only be permitted to Lessee upon separate mutual written agreement. Such premises may have restrictions due to State or Federal policy and regulations, in such event, these regulations will prevail over the Agreement terms. Access by Lessor or its sublessee to Lessee's Communication Facilities, shelters, cabinets, or other communication infrastructure will only be permitted upon the prior written notice by Lessor.

RENT: The Reserved Space is free of charge. Lessor and its sublessee(s) are not responsible for any additional or direct rent payment to Lessee for the use of the tower or associated premises. Lessor or its sublessee(s) is responsible for the costs of establishing, maintaining, and removing equipment during the life of this Agreement, as well as for any utilities required to maintain the equipment of Lessor or its sublessee(s).

APPENDIX B

LEASE PROVISIONS REQUIRED BY KPB 17.10

(1) **Accounts Current**. The Lessee shall not be delinquent in the payment of any tax, debt or obligation owed to the KPB prior to execution of the Agreement.

(2) **Assignment**. Lessee may assign the lands upon which he has an agreement only if approved by the mayor or land management officer when applicable. Applications for assignment shall be made in writing on a form provided by the land management division. The assignment shall be approved if it is found that all interests of the borough are fully protected.

(3) **Breach of Agreement**. In the event of a default in the performance or observance of any of the Agreement terms or conditions, and such default continues thirty (30) days after written notice of the default, the borough may cancel the Agreement or take any legal action for damages or recovery of the property. No improvements may be removed during the time which the contract is in default.

(4) **Cancellation**. This Agreement, if in good standing, may be cancelled at any time upon mutual written agreement of the parties.

(5) **Entry or Re-entry**. In the event the Agreement is terminated, canceled or forfeited, or in the event of abandonment of the Leased Premises by Lessee during the Term, the KPB its agents, or representatives, may immediately enter or re-enter and resume possession of the Leased Premise. Entry or re-entry by KPB shall not be deemed an acceptance of surrender of the Agreement.

(6) **Fire Protection**. The Lessee shall take all reasonable precautions to prevent, and take all reasonable actions to suppress destructive and uncontrolled grass, brush, and forest fires on the Leased Premises under the Agreement, and comply with all laws, regulations and rules promulgated and enforced by the protection agency responsible for forest protection within the area wherein the Leased Premises is located.

(7) **Hazardous Waste**. The storage, handling and disposal of hazardous waste shall not be allowed on the Leased Premises.

(8) **Modification**. The Agreement may not be modified orally or in any manner other than by an agreement in writing signed by all parties or their respective successors in interest.

(9) **Notice**. Any notice or demand, which under the terms of the Agreement or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address shown on the Agreement. However, either party may designate in writing such other address to which such notice of demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed received when deposited in a U.S. general or branch post office by the addressor.

(10) **Notice of Default**. Notice of the default will be in writing as provided in paragraph 9 above.

(11) **Removal or Reversion of Improvements Upon Cancellation of Purchase Agreement or Lease.**

(a) Improvements owned by Lessee on the Leased Premises shall, within thirty (30) calendar days after the termination of the Agreement, be removed by Lessee; provided, such removal will not cause injury or damage to the land; and further provided, that the mayor or land management officer when applicable may extend the time for removing such improvements in cases where hardship is proven. The Lessee may, with the consent of the mayor or land management officer when applicable, dispose of its improvements to the Sublessee or Assignee, if applicable.

(b) If any improvements and/or chattels having an appraised value in excess of ten thousand dollars, as determined by a qualified appraiser, are not removed within the time allowed, such improvements and/or chattels shall, upon due notice to the Lessee under the terminated or canceled Agreement, be sold at public sale under the direction of the mayor and in accordance with the provisions of KPB Chapter 5. The proceeds of the sale shall inure to the former Lessee who placed such improvements and/or chattels on the lands, or its successors in interest, after paying to the borough all moneys due and owing and expenses incurred in making such a sale. In case there are no other bidders at any such sale, the mayor is authorized to bid, in the name of the borough, on such improvements and/or chattels. The bid money shall be taken from the fund to which said lands belong, and the fund shall receive all moneys or other value subsequently derived from the sale of leasing of such improvements and/or chattels. The borough shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of the purchase.

(c) If any improvements and/or chattels having an appraised value of ten thousand dollars or less, as determined by the mayor, are not removed within the time allowed, such improvements and/or chattels shall revert and absolute title shall vest in the borough. Upon request, the Lessee shall convey said improvements and/or chattels by appropriate instrument to the KPB.

(12) **Rental for Improvements or Chattels not Removed**. Any improvements and/or chattels belonging to the Lessee or placed on the Leased Premises and remaining upon the premises after the termination of the Agreement shall entitle the KPB to charge a reasonable rent therefor.

(13) **Re-rent**. In the event that the Agreement should be terminated, canceled, forfeited or abandoned, the KPB may offer said lands for lease or other appropriate disposal pursuant to the provisions of KPB Code of Ordinances Title 17, Chapter 10, or other applicable regulations.

(14) **Responsibility for Location**. It shall be the responsibility of the Lessee to properly locate its improvements on the Leased Premises.

(15) **Rights of Mortgage or Lienholder**. In the event of cancellation or forfeiture of the Agreement for cause, the holder of a properly recorded mortgage, conditional assignment, or collateral assignment will have the option to acquire the Agreement for the unexpired term thereof, subject to the same terms and conditions as in the Agreement. Any party acquiring the Agreement must meet the same requirements as the Lessee.

(16) **Sanitation**. The Lessee shall comply with all regulations or ordinances which a proper public authority in its discretion shall promulgate for the promotion of sanitation. The Leased Premises under the Agreement shall be kept in a clean and sanitary condition and every effort shall be made to prevent any pollution of the waters and lands.

(17) **Shore Land Public Access Easement**. As established by AS 38.05, borough lands sold or leased may be subject to a minimum 50-foot public access easement landward from the ordinary high-water mark or mean high water mark.

(18) **Subleasing**. No lessee may sublease lands or any part thereof without written permission of the mayor or land management officer when applicable. A sublease shall be in writing and subject to the terms and conditions of the original lease.

(19) **Violation**. Violation of any provision of KPB 17.10 or of the terms of the Agreement may expose the Lessee to appropriate legal action including forfeiture of purchase interest, termination, or cancellation of its interest in accordance with state law.

(20) **Written Waiver**. The receipt of payment by KPB, regardless of knowledge of any breach of the purchase agreement by the purchaser, lessee or permittee, or of any default on the part of the purchaser, lessee or permittee in observance or performance of any of the conditions or covenants of the Agreement, shall not be deemed to be a waiver of any provision of the Agreement. Failure of KPB to enforce any covenant or provision therein contained shall not discharge or invalidate such covenants or provision or affect the right of KPB to enforce the same in the event of any subsequent breach or default. The receipt by KPB of any payment of any other sum of money after notice of termination or after the termination of the Agreement for any reason, shall not reinstate, continue or extend the Agreement, nor shall it destroy or in any manner impair the efficacy of any such notice of termination unless the sole reason for the notice was nonpayment of money due and payment fully satisfies the breach.

EXHIBIT 1

DESCRIPTION OF PROPERTY AND LEASED PREMISES
Page 1 of 1

The Property is legally described as follows:

A portion of Tract H, ASLS 2003-2, Plat No. 2005-10, Seward Recording District, Third Judicial District, State of Alaska, more particularly described and depicted on the attached Exhibit 2.

The Leased Premises are described as follows:

A portion of the above-described Property, more particularly described as an approximately 6,003 square foot area, including a twenty (20) foot wide underground electric power line right-of-way and the air space above such ground space, as further depicted on Exhibit 2 of this Agreement. Together with: (i) non-exclusive access beginning directly off of the Sterling Highway right-of-way and across an existing road leading to the Leased Premises, and (ii) subject to a one-hundred (100) foot wide section line easement which bisects the Leased Premises.

EXHIBIT 2

LEASED PREMISES
Page 1 of 1

The Leased Premises are depicted as follows:

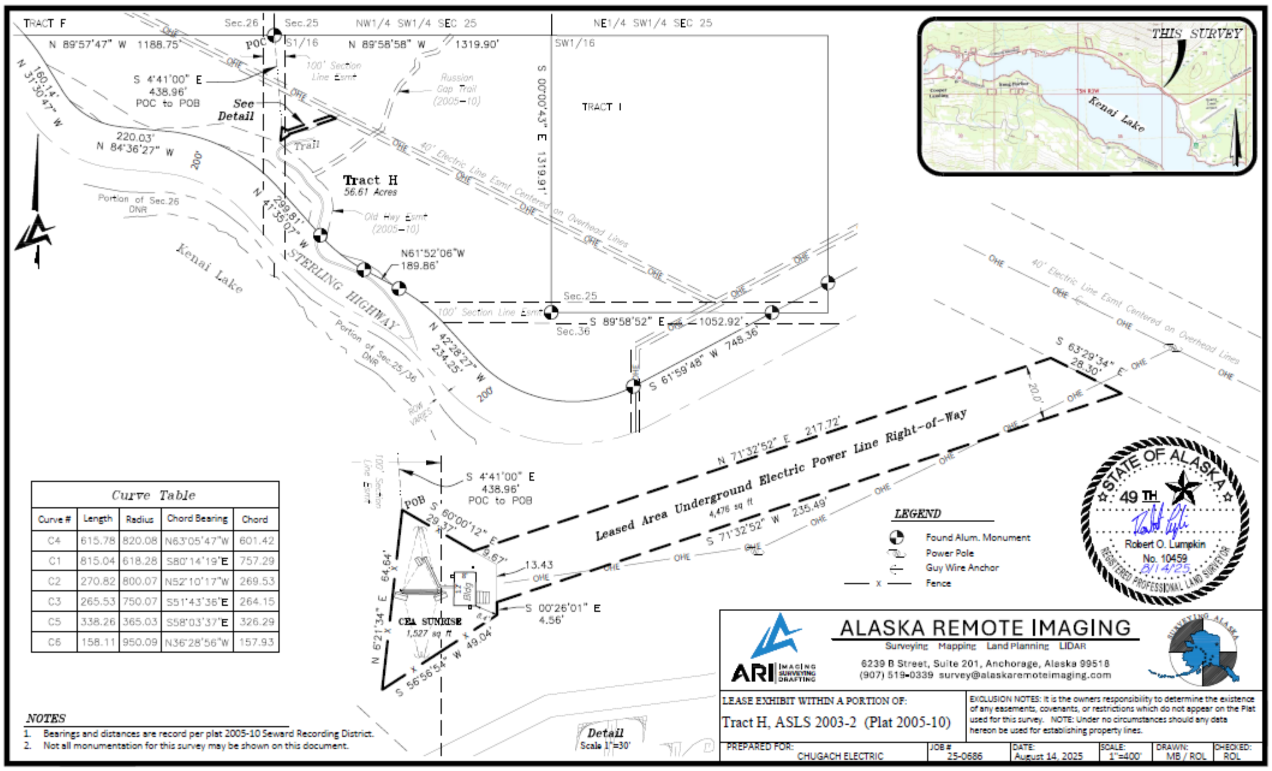


EXHIBIT 3

ALASKA DEPARTMENT OF NATURAL RESOURCES LETTER

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources
DIVISION OF MINING, LAND & WATER
Southcentral Regional Land Office
550 West 7th Avenue, Suite 900C
Anchorage, Alaska 99501-3577
Main: 907.269.8503
TDD: 907.269.8411
Fax: 907.269.8913

8/29/2025

Cynthia Coughlin
PO Box 196300
Anchorage, AK 99519

Dear Ms. Coughlin

The Southcentral Regional Land Office (SCRO) of the Division of Mining, Land and Water (DMLW), Department of Natural Resources (DNR) has received your inquiry regarding the Chugach Electric Association (CEA) microwave relay communications station within the Section Line Easement (SLE) common to Sections 25 and 26, Township 5 North, Range 3 West, Seward Meridian. SCRO understands that CEA is currently pursuing a lease for the site through the Kenai Peninsula Borough (KPB) as the underlying landowner and is required to demonstrate compliance with all applicable federal, state, and local laws.

Based on research provided by KPB, SCRO understands that CEA originally applied to KPB for a lease for the site in 1992 when the lands were Borough selected, though the lease was never executed. When the land was patented to the State of Alaska (Patent No. 50-96-0735) in 1996, a SLE pursuant to AS 19.10.010 attached and established a public access easement 50 feet on either side of the SLE for a total width of 100 feet, which encompassed a portion of the microwave site. Currently the site consists of a fence and building partially within the SLE as depicted on page 6 of Plat 2005-10, Seward Recording District (attached).

Section line easements established by AS 19.10.010 are dedicated for use as public highways. Pursuant to 11 AAC 51.100(i) DMLW does not issue permits for landowner activities on land subject to a public easement that are consistent with the landowner's property rights and does not restrict public use of the easement. After review, SCRO is not aware of any current access conflicts or of any patterns of public use within the portion of the SLE occupied by CEA's infrastructure.

Please note that this letter does not constitute an authorization to occupy the SLE and serves only as an acknowledgement of existing infrastructure within a DMLW managed interest. Any future request to develop the SLE for access purposes consistent with its scope of use will be adjudicated by DMLW. Should such a request come into conflict with the microwave site, DMLW will evaluate a variety of methods to eliminate the conflict which may include but is not limited to; partial vacation of the SLE, closure of the SLE, or relocation of infrastructure, as appropriate. If you have any questions, please feel free to contact me at evan.dodd@alaska.gov or at (907) 334-2542.

Sincerely,

Evan Dodd

Evan Dodd
Natural Resource Manager 1

EXHIBIT 4

MEMORANDUM OF LEASE

(Attached)

(Above 2" Space for Recorder's Use Only)

Prepared by and Return to:
Kenai Peninsula Borough
Attn: Land Management Division
144 N. Binkley St.
Soldotna, AK 99669

Grantor: Kenai Peninsula Borough
Grantee: Chugach Electric Association, Inc
Legal Description: Attached as Exhibit 1
Tax Parcel ID #: 11912509
Site Name: CEA Sunrise, #
State: Alaska
Borough: Kenai Peninsula Borough
Recording District: Seward, Third Judicial

MEMORANDUM OF LEASE

This Memorandum of Lease (Memorandum) is entered into by and between the **Kenai Peninsula Borough**, an Alaska municipal corporation, having a mailing address of 144 N. Binkley St., Soldotna, AK 99669 (the **Lessor**) and **Chugach Electric Association, Inc,** an Alaska electric cooperative corporation, having a mailing address of PO Box 196300, PO Box 196300, 99519-6300 (the **Lessee**) (together, the Parties).

1. Lessor and Lessee entered into a certain Communications Site Lease Agreement (the Agreement) on the _______ day of ____________________, 20____, for the purpose of installing, operating, and maintaining communication facilities and other improvements. All of the foregoing is set forth in the Agreement.

2. The initial lease term will be five (5) years commencing on the Effective Date with four (4) successive automatic five (5) year options to renew.

3. The portion of the land being leased to Lessee (the Leased Premises) is described in Exhibit 1 annexed hereto.

4. Lessor and Lessee now desire to execute this Memorandum to provide constructive knowledge of Lessee's lease of the Leased Premises.

5. This Memorandum and Agreement are governed by the laws of the State of Alaska.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first above written.

LESSOR: Kenai Peninsula Borough
an Alaska municipal corporation

By: ________________________________
Peter A. Micciche, Borough Mayor

Date: ________________________________

ATTEST:

____
Michele Turner CMC, Borough Clerk

(KPB SEAL)

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

____
Wayne Cary, Deputy Borough Attorney

Date: ____________________________

LESSEE: Chugach Electric Association, Inc.
an Alaska electric cooperative

By: ______________________________

Print Name: ______________________

Its: ______________________________

Date: ____________________________

LESSOR ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing was acknowledged before me this ______ day of ____________________, 20___, by Peter A. Micciche, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

____
Notary Public for State of Alaska
My commission expires: ____________

LESSEE ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On the _______ day of ______________, before me personally appeared __________________________, and acknowledged under oath that he/she is the ____________________ of Chugach Electric Association, Inc, the Lessee named in the attached instrument, and as such was authorized to execute this instrument on behalf of the Lessee.

____
Notary Public for State of____________
My commission expires: ____________

EXHIBIT 1 TO MEMORANDUM OF LEASE

DESCRIPTION OF PROPERTY AND LEASED PREMISES

The Property is legally described as follows:

A portion of Tract H, ASLS 2003-2, Plat No. 2005-10, Seward Recording District, Third Judicial District, State of Alaska. more particularly described and depicted on the attached Exhibit 2.

The Leased Premises are described as follows:

A portion of the above-described Property, more particularly described as an approximately 6,003 square foot area, including a twenty (20) foot wide underground electric power line right-of-way and the air space above such ground space, as further depicted on Exhibit 2 of this Agreement. Together with: (i) non-exclusive access beginning directly off of the Sterling Highway right-of-way and across an existing road leading to the Leased Premises, and (ii) subject to a one-hundred (100) foot wide section line easement which bisects the Leased Premises.